



FIAP Declaration

The Annual General Meeting of the International Federation of Pension Fund Administrators (FIAP) was held in Mexico City on November 1, 2017, and after analyzing the situation facing social security systems worldwide, declares:

1. The systems based on individually funded contributions are the only financially sustainable mechanisms that can improve the pensions of workers, while contributing to the economic development of countries.
2. The PAYGO systems still operating in some countries are not sustainable for demographic reasons, as evidenced by the demographic changes they have been forced to introduce, as well as other changes that are in the process of implementation, and the levels of implicit or explicit public debt that they have given rise to, and that continue to increase in those countries.
3. Notwithstanding the sustainability of the individually funded systems, they face the major challenge of population aging, and having to finance an increasing number of pensioners for ever-longer periods of time.
4. To meet this challenge, it is urgent to increase contribution rates and retirement ages, in order to adjust them to the aforementioned demographic changes that have occurred since the creation of these systems.
5. At the same time, it is urgent to improve the levels of savings through regulations that more efficiently promote the diversification of investments and voluntary pension savings.
6. Given the high levels of informality in member countries, it is also urgent to strengthen a non-contributory and efficient first solidarity pillar, which can improve the pensions of more vulnerable workers who have no savings capacity. Those informal workers who are able to pay, must in turn be encouraged to save through innovative mechanisms of the *matching contributions* type, or others.
7. Finally, we manifest our conviction that with the aforementioned changes, the individually funded system will be able to provide protection to workers, improve the level of savings of countries and contribute to their development.



**Resolution of the 21st Annual FIAP General Meeting held in Mexico City, Mexico
November 1, 2017**

Subscribed by: The Board of Directors of the International Federation of Pension Fund
Administrators (FIAP)

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